

**North Carolina HIE
Board of Directors Meeting
Meeting Notes
April 21, 2011**

The North Carolina Health Information Exchange (NCHIE)'s Board meeting convened at 1:00 p.m. at the North Carolina Hospital Association on Thursday, April 21, 2011. The public was invited to attend.

Meeting Attendees – Advisory Board Members	
Name	Organization
Cansler, Lanier (Secretary) – <i>Co-Chair</i>	NC Department of Health and Human Services
Atkinson, Bill	WakeMed
Bridges, Thomas “Tom”	Henderson County Health Department
Callaway, Hadley, M.D.	NC Medical Society
Cline, Steve, D.D.S. – <i>Ex-Officio</i>	Office of Health IT, NC DHHS
Civello, Anthony	Kerr Drugs
Cykert, Sam, M.D.	Area Health Education Centers/REC
Dobson, Allen, M.D.	Community Care of NC
Fralick, Jerry – <i>Ex-Officio</i>	NC Office of the State CIO
Kitzmiller, Rebecca “Becky”	NC Nurses Association
Money, Benjamin	NC Community Health Center Association
Newton, Warren, M.D.	NC Healthcare Quality Alliance
Richter, John	Larsen Allen LLP
Roper, Bill, M.D.	UNC / NQF
Saunders, George, M.D.	North Carolina Medical Board
Spicer, Sam, M.D.	New Hanover RMC / NCHICA
Tayloe, Dave	American Academy of Pediatricians
Wilson, Brad	NC BCBS
Staff	
Jeff Miller	NC HIE
Alan Hirsch	NC HIE
Anita Massey	NC HIE
Fred Goldwater	NC HIE
Sandra Ellis	NC HIE
Lammot du Pont	Manatt Health Solutions
Brenda Pawlak	Manatt Health Solutions
Members of the Public	
Maureen O’Connor (<i>Co-Chair of Finance WG</i>)	NC BCBS
Walker Wilson	NC DHHS-HIT

Items of Business

- Welcome, Roll Call, Approval of Minutes from February 17 Board Meeting
- Welcome Jeff Miller, Incoming CEO
- CEO Report
- Finance
 - Upfront Funding
- Review of Changes to and Approval of Bylaws
- Progress and Next Steps for:
 - Governance
 - Legal/Policy
- Clinical/Technical Operations
 - Technical RFP Process
 - Evaluation Committee
- Open Public Comment and Closing Comments

Welcome, Roll Call and Approval of Minutes

Secretary Lanier Cansler, Co-Chair of the NC HIE Board, welcomed meeting attendees and reviewed the meeting agenda. A motion was made to approve the minutes from the Board's February 17 meeting; the motion was seconded. The meeting minutes from the Board's February meeting were approved.

Secretary Cansler and current CEO, Alan Hirsch, introduced and welcomed incoming CEO, Jeff Miller. Mr. Miller thanked the Board for the opportunity to serve as CEO and stated that the NC HIE represents a great opportunity to continue to improve health care in North Carolina and that he looks forward to continuing the work of the NC HIE.

Secretary Cansler then turned the floor over to Mr. Hirsch for the CEO Report.

CEO Report

Mr. Hirsch reported that he and the NC HIE staff have spent the last few weeks getting the incoming CEO, Mr. Miller, up to speed and bringing his expertise to bear on ongoing NC HIE initiatives. Mr. Hirsch stated that CEO transition was well timed as the technology RFP was scheduled to go out on Mr. Miller's first day as CEO.

Mr. Hirsch provided an update regarding the contract with the selected communications firm, Capstrat, stating that the contract would be finalized by the end of the day and that Capstrat will begin work on Monday, April 25. Capstrat will initially focus on advancing the NC HIE financing plan.

Mr. Hirsch then reported that the NC HIE has received full budget approval from the Office of the National Coordinator of Health IT (ONC) and will now be able to receive federal funds and move forward with operations.

Mr. Hirsch next provided an update on NC HIE operations and stated that the NC HIE has engaged a CPA to set up its bill paying system which is now in place. NC HIE will use the same CPA to complete the NC HIE's 501(c)(3) application. Mr. Hirsch also reported that the NC HIE has engaged a local firm to create a basic website for the NC HIE as it has up until this point only had a webpage on the NC DHHS' website. NC HIE is also working to broaden its base of staff and to secure an operational location for its offices.

Mr. Hirsch closed his report by updating the Board on the CCNC Medication Management Challenge Grant. CCNC and NC HIE have worked in partnership to develop a budget and are waiting on final approval of that budget from ONC to receive related grant funds; CCNC will receive over 90% of the grant funds as they will be the project lead.

Mr. Hirsch then turned the floor back to Secretary Cansler, who asked Ms. Maureen O'Connor, Co-Chair of the Finance Workgroup, to provide an update on NC HIE financing efforts.

NC HIE Finance

Ms. O'Connor reviewed the timeline and tasks for the Finance Workgroup and recapped the current status of the development of a financing approach including the key characteristics agreed upon to date including creation of "pre-pay" and "pay-as-you-go" mechanisms for payment. Ms. O'Connor then described in more detail the proposed pre-payment methodology (*see slide deck for additional details*).

Ms. O'Connor stated that the Workgroup has been considering ways to create differentiation between the pre-pay and pay-as-you-go payment models so that participants would be incentivized to choose the pre-payment option. The Workgroup is in agreement that the NC HIE should create additional value for those who choose to pre-pay, but has faced challenges in coming up with the specifics of the approach due to uncertainty surrounding a number of key variables (e.g., total cost to build system, etc.). After discussing the issue at its last meeting, the Workgroup adopted a recommendation to offer a credit on pre-payment funds in order to allow for flexibility in pricing of services (*see slide deck for additional details*).

Mr. Hadley Callaway asked whether entities that are not sure if they will be a Qualified Organization (QO) would be able to pre-pay. Ms. O'Connor and Mr. Hirsch responded that though the specifics of the billing process remained to be worked out, entities that were not planning to or were not sure if they would be a QO would still be eligible to prepay should they desire to do so.

Mr. Warren Newton and Mr. Bill Roper asked how the prepayment model would account for providers that are employed by hospitals. Ms. O'Connor stated that feedback from the NC Medical Society thus far had indicated that the issue was a complicated one due to the fact that there is wide variety in the types of relationships between hospitals and physicians (e.g., staffed, affiliated, managed, owned) and that the Workgroup was interested in receiving additional feedback on this issue.

Mr. Callaway stated that independent physicians will want to see all physicians treated equally.

Mr. Roper stated that hospitals would posit that there should be some type of aggregate purchasing discount for those entities that will be prepaying for a large number of individuals.

Mr. Ben Money pointed out that safety-net providers are in a different position and would likely not have the resources necessary to pre-pay so that "one size fits all" may not be the best approach. The NC HIE should consider developing a different participation model for these types of providers, including potentially allowing them to participate free of charge.

Mr. Hirsch stated that the NC HIE was focused on ensuring that all participants would be treated fairly and that the group would need to continue to consider whether and how accommodations should be made based on size or other participant characteristics.

Ms. O'Connor discussed next steps for the financing approach, including the development of a detailed legal document which would lay out the specific terms of the prepayment agreement.

Mr. Hirsch then asked for the Board's approval to go forward with the pre-payment model suggested on Slide 9 (including the 20% credit schema) and to begin working with the contracted communications firm to develop clear and accurate messaging about the prepayment approach, including taking that information out into the market and beginning to sign entities up for prepayment. Mr. Brad Wilson moved to approve the recommendation; the motion was seconded. The Board approved the motion with no objections.

NC HIE Bylaws Approval

Mr. Hirsch asked Wilson Hayman from Pointer and Spruill, LLP to discuss edits made to the NC HIE bylaws since they were last presented to the Board at its February meeting (*see "Redlined Bylaws" document for additional details*).

Mr. Callaway asked whether the bylaws permit the CEO to vote in Board deliberations. Mr. Hayman responded that the bylaws specify that the CEO serves in an ex-officio capacity and is not permitted a vote.

Mr. Sam Spicer asked whether the Board or the CEO has the power to create new advisory councils as needed. Mr. Hayman responded that the bylaws allow the Board to create advisory

councils as needed and also to delegate to the CEO the power to create/operate/close advisory councils.

Secretary Cansler asked for a motion to approve the adoption of the bylaws as drafted. A motion was made and seconded; the Board approved the adoption of the bylaws with no objections.

Progress and Next Steps for the NC HIE Governance & Legal/Policy Workgroups

Governance Workgroup

Mr. Money, Co-Chair of the Governance Workgroup, described the group's ongoing efforts to further flesh out the Qualified Organization participation approach. Mr. Money stated that the Workgroup is in the process of developing recommendations to present to the Board regarding selection criteria for Qualified Organizations and shared with the group a draft selection criteria framework that the group is currently working to refine (*see slide deck for additional details*). The Workgroup plans to turn its attention in future meetings to developing recommendations related to an oversight and enforcement framework for Qualified Organizations.

Secretary Cansler asked if there were any questions or comments regarding the Governance Workgroup's ongoing efforts; no Board members had questions or comments.

Legal/Policy Workgroup

Mr. Hirsch stated that the Legal/Policy Workgroup was continuing its work to develop written policies and procedures related to privacy and consent (*see slide deck for additional details*). Mr. Hirsch also provided a brief update on the status of the opt-out consent legislation, stating that the bill has passed the Senate and is now pending in committee in the House. Secretary Cansler added that he had spoken with Representative Jeff Barnhart, sponsor of the bill in the House, who had reiterated his commitment to the bill.

Mr. Callaway asked whether patients would have the ability to opt-out of data-sharing not only across the statewide HIE network but also within a QO network. Ms. Brenda Pawlak from Manatt responded that the legislation applies only to information exchanged across the statewide network so that policies of individual QOs are not impacted, but that the issue was worth raising to the Legal/Policy Workgroup for further discussion.

Secretary Cansler asked if there were additional questions or comments regarding the Legal/Policy Workgroup's ongoing efforts; no Board members had additional questions or comments.

Clinical/Technical Operations

Mr. Fred Goldwater of NC HIE reviewed the timeline and tasks related to Clinical/Technical Operations and stated that efforts have now shifted focus to development of the RFP for statewide HIE technical services. Mr. Goldwater reviewed the timeline for the HIE services RFP, stating that the anticipated release date for the RFP would be April 25 with vendor responses due on May 20, 2011. Mr. Goldwater also walked through the vendor selection process, which will include the creation of an evaluation committee that will be tasked with reviewing vendor responses, choosing vendor finalists and selecting the final vendor (*see slide deck for additional details*).

Mr. Callaway asked whether a copy of the RFP was available for Board member review. Mr. Goldwater responded that the Massachusetts eHealth Collaborative (MAeHC, the firm with which the NC HIE has contracted to assist in the development of the RFP for statewide HIE services) had been revising a draft of the RFP based on input from the RFP development team and that the finalized draft would soon be available for broader review. Mr. Hirsch stated that Board members were welcome to review the draft RFP and those interested should contact NC HIE staff to request a copy; Secretary Cansler added that it was of critical importance that the RFP draft be kept confidential by Board members until a final version was ready for public release.

Mr. Hirsch then asked for approval of the proposed process for RFP finalization as well as the process for vendor selection. Secretary Cansler asked for a motion to approve the proposed process. A motion was made and seconded; the Board approved the proposed process for RFP finalization and vendor selection without any objections.

Open Public Comment & Closing Comments

Secretary Cansler invited members of the public to comment. No members of the public submitted comments.

The meeting was adjourned at 3:00 p.m.